

# Maurice Hinchey NEWS

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## 26<sup>TH</sup> CONGRESSIONAL DISTRICT, NEW YORK

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### HINCHEY URGES PROTECTION FROM CASH BALANCE CONVERSIONS

WASHINGTON - U.S. Representative Maurice Hinchey (D-NY) today spoke on the floor of the House of Representatives, urging his colleagues not to pass the Comprehensive Retirement Security and Pension Reform Act (H.R. 10) without first addressing a serious problem facing many older workers in New York's 26th Congressional District. Citing the bill's failure to address the question of cash balance conversions, Hinchey joined three of his colleagues in offering a motion to recommit the bill with instructions that would correct this deficiency.

"This bill has a lot of good provisions," said Hinchey. "But it leaves out an entire class of workers who stand to lose a significant portion of their accumulated pension benefits through conversion from a traditional plan to a cash balance plan. We have an opportunity with this bill to correct this problem. If we don't do it now, we won't get a second chance."

Hundreds of companies across the country, including IBM, and others with large numbers of employees in the Southern Tier and Hudson Valley regions, have converted their traditional defined benefit pension plans to cash balance plans. Cash balance plans can reduce the future pension benefits of older workers by as much as 50 percent. In the 106th Congress, Hinchey introduced legislation that would have given employees a choice between the two plans when a conversion is proposed. The Sanders-Gutknecht-Kucinich-Hinchey Motion to Recommit offered today would have sent H.R. 10 back to committee with instructions to include an employee-choice provision.

"When IBM converted to a cash balance plan, many long-time workers who were more than five years from retirement lost a substantial portion of their accrued benefits," Hinchey added. "When I wrote the legislation that would have fixed this problem in the last Congress, I made a commitment to hundreds of older IBM workers in my district that I would not vote for legislation that did not address the cash balance conversion issue."

The House voted down the Motion to Recommit and passed H.R. 10. After voting in favor of an alternative that would have addressed the cash balance issue and for the Motion to Recommit, Hinchey voted against H.R. 10.

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